

Associate	1	\$3,432	\$41,104
	2	3,597	43,164
Professor	3	3,768	45,216
	4	3,948	47,376
	5	4,136	49,632
	6	4,337	52,044
	7	4,543	54,516
	8	4,763	57,156
Professor	1	\$4,337	\$52,044
	2	4,543	54,516
	3	4,763	57,156
	4	4,993	59,916
	5	5,227	62,784

# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1994-95



## CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

# Summary

Each year, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the Commission submits to the Governor and the Legislature an analysis of faculty salaries at the California State University and the University of California for the forthcoming fiscal year. This report for the 1994-95 fiscal year contains an analysis of information on faculty salaries submitted to the State University and the University by their respective groups of comparison institutions and shows how this information is used to calculate the "parity percentages" included in the report. (A *parity percentage* is the amount of increase in salary necessary for each system to maintain a competitive position in relation to the mean of its respective comparison group of institutions.)

This year, the estimated faculty salary parity amount for the California State University is 6.8 percent. That figure takes into account the recently negotiated faculty salary increase that is effective April 1, 1994. Without that salary increase, the State University's parity figure would have been 11.5 percent.

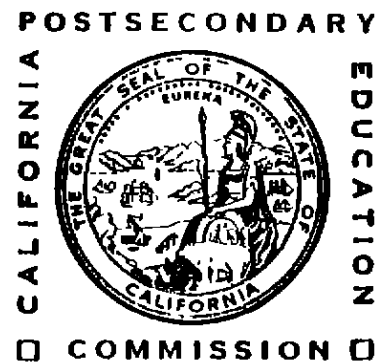
This year's parity figure for the University of California is 12.6 percent, assuming full restoration in 1994-95 of the 3.5 percent salary reduction imposed upon the University's faculty for 1993-94. Had that restoration not been assumed, the University's faculty salaries for next year would lag even further behind the average of its comparison institutions than they otherwise will.

The Commission adopted this report on April 18, 1994, on recommendation of its Fiscal Policy and Analysis Committee. Additional copies of the report may be obtained from the Commission at Suite 500, 1303 J Street, Sacramento, California 95814-2938, telephone (916) 445-7933.

# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1994-95

*A Report to the Legislature  
and the Governor in Response  
to Senate Concurrent Resolution No. 51 (1965)*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION  
1303 J Street ♦ Suite 500 ♦ Sacramento, California 95814-2938





**COMMISSION REPORT 94-4**  
**PUBLISHED APRIL 1994**

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# 1

## Summary and Conclusions

**T**HIS 1994-95 faculty salary report contains detailed data on average salaries in the comparison institutions of the California State University and the University of California. It analyzes raw data submitted by these institutions, explains the Commission's faculty salary parity computations, and presents the percentage amounts by which existing salaries would have to be increased to achieve parity with their respective comparison groups. The report also provides a summary of economic data that represents a context for policy makers as they consider salary issues.

### **The California State University**

The Commission's analysis of the data supplied by the comparison institutions of the California State University indicates a parity deficiency for the State University of 6.8 percent in the 1994-95 academic year. This parity figure was calculated accounting for the 1993-94 faculty salary increase recently negotiated by the State University and the California Faculty Association. The agreement includes merit salary adjustments and an increase of 3.0 percent effective April 1, 1994. Had there been no 1993-94 faculty salary increase, the State University's parity deficiency for 1994-95 would have been 11.5 percent.

These projections are based on the consideration of current-year payroll runs at 18 of the State University's 20 comparison institutions, with estimates for the remaining two that have not yet completed their reports. A year ago, projections had to be used for two institutions as well. As with last year's report, comparison institution salary information for law faculty have been excluded from the calculations.

### **University of California**

The Commission's analysis of information for the comparison institutions of the University of California indicates a projected parity deficiency for University faculty in 1994-95 of 12.6 percent. This parity figure was calculated assuming full restoration of the 3.5 percent faculty salary reduction instituted for 1993-94. The salary reduction is to be restored for 1994-95. Had full restoration not been assumed, the University's faculty salary lag would have been higher still. The University's parity figure was calculated based on complete 1993-94 data from all eight of the University's comparison institutions.

The 12.6 percent figure was derived using the methodology instituted for 1993-94. Prior to that time, each of the University's comparison institutions influenced

the final parity figure equally, but because of a change recommended by the Commission's staff, the Department of Finance, and the Office of the Legislative Analyst, a change was made to weight each of the comparison institutions by the number of faculty at that institution. Among the University's eight comparison institutions, four are public institutions and four are independent, and the effect of this change is to grant greater influence to the public universities (since they have larger faculties), and these institutions generally pay their faculties slightly less than their independent counterparts.

**General trends** Information contained in this report, some of it from the American Association of University Professors, indicates a general decline in faculty salary increases nationally, at least through 1992-93. Information for the current 1993-94 year was not yet available, but the trend seems clear enough. Where salary increases were consistently in the 5-to-7 percent per-year range throughout the 1980s, the average 1992-93 increase was only 2.5 percent in current dollars (-0.4 percent when adjusted for inflation).

Despite these declines on the national scene, California faculty salaries remain behind those at their respective groups of comparison institutions. Unlike a year ago, however, the State University and the University are both planning to increase faculty salaries. The State University has negotiated a 3.0 percent salary increase effective April 1, 1994, and the University is planning a faculty salary increase for 1994-95. Yet, the disparities are large enough that the gap between the salary levels at California's universities and those at their respective comparison institutions will likely remain substantial.



# 2

## History of Recent Economic Conditions and of This Series of Reports

**A**NNUALLY, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session (reproduced in Appendix A on page 19), the California State University and the University of California submit to the Commission information on faculty salaries for their respective institutions and for a group of comparison colleges and universities. On the basis of this information, Commission staff develops estimates of the percentage changes in salaries required to attain parity with the comparison groups in the forthcoming fiscal year. Current procedures dictate that parity figures for both segments be submitted annually to the Department of Finance and the Office of the Legislative Analyst during the first week of December.

### **Current economic conditions**

In the spring of each year, the American Association of University Professors publishes a comprehensive report on faculty compensation known as *The Annual Report on the Economic Status of the Profession*. The 1993 report, as with all of the others, contains much useful trend information, which can serve to highlight some of the historical material discussed in this report. In particular, Display 1 on the next page indicates the trends in faculty compensation nationally for all institutional categories, while Display 2 on page 5 shows that, at least over the last ten years, faculty salaries at independent institutions, and even at church-related institutions, increased more than faculty salaries at public institutions. Given the considerable rise in tuition levels at independent institutions during this past decade, the faculty compensation increases may not be surprising.

Another display of interest concerns employee benefits. In the past, the Commission has considered the issue of employee benefits in its annual reports on faculty salaries, but recently, the issue has been seen as so obscure and devoid of real meaning that the reporting of employer contributions to benefit packages has been abandoned in favor of periodic and more detailed examinations of employee benefit packages. The AAUP has presented a chart that should be of interest to policy makers, however, since it indicates what trends are in evidence. Those trends indicate that medical insurance expenditures are becoming an increasing expenditure for higher education institutions, just as they are for employers of every kind in virtually every field of endeavor. Display 3 on page 5 shows that while the expenditures on employee benefits have increased in all of the categories shown, they have increased for medical insurance at percentages that are double, triple, or even higher than those for other commonly offered benefits. Between

*DISPLAY 1 Percentage Increases in Average Current and Real Dollar Faculty Salaries for American Colleges and Universities Reporting Comparable Data for Adjacent One-Year Periods, and Percentage Changes in the Consumer Price Index, 1972-73 Through 1992-93*

Year	Current Dollars					Constant Dollars					Consumer Price Index*
	Professor	Associate Professor	Assistant Professor	Instructor	All Ranks	Professor	Associate Professor	Assistant Professor	Instructor	All Ranks	
1972-73 to 1973-74	5.2	5.2	4.8	4.7	5.1	-3.2	-3.2	-3.6	-3.7	-3.3	8.7
1973-74 to 1974-75	5.8	5.9	5.7	5.8	5.8	-5.8	-5.7	-5.9	-5.8	-5.8	12.3
1974-75 to 1975-76	6.2	5.9	5.7	6.1	6.0	-0.7	-0.9	-1.1	-0.7	-0.8	6.9
1975-76 to 1976-77	4.7	4.7	4.7	4.7	4.7	-0.2	-0.2	-0.2	-0.2	-0.2	4.9
1976-77 to 1977-78	5.2	5.4	5.3	5.4	5.3	-1.4	-1.2	-1.3	-1.2	-1.3	6.7
1977-78 to 1978-79	5.6	5.8	5.9	6.0	5.8	-3.1	-2.9	-2.8	-2.7	-2.9	9.0
1978-79 to 1979-80	7.5	7.0	6.8	6.4	7.1	-5.1	-5.5	-5.7	-6.1	-5.4	13.3
1979-80 to 1980-81	8.8	8.5	8.8	8.6	8.7	-3.3	-3.6	-3.3	-3.5	-3.4	12.5
1980-81 to 1981-82	9.0	8.8	9.1	8.2	9.0	0.1	-0.1	0.2	-0.7	0.1	8.9
1981-82 to 1982-83	6.3	6.3	6.8	6.7	6.4	2.4	2.4	2.9	2.8	2.5	3.8
1982-83 to 1983-84	4.6	4.4	5.0	5.1	4.7	0.8	0.6	1.2	1.3	0.9	3.8
1983-84 to 1984-85	6.7	6.4	6.6	6.2	6.6	2.7	2.4	2.6	2.2	2.6	3.9
1984-85 to 1985-86	6.1	5.9	6.2	5.9	6.1	2.2	2.0	2.3	2.0	2.2	3.8
1985-86 to 1986-87	6.0	5.8	5.7	4.9	5.9	4.8	4.6	4.5	3.8	4.7	1.1
1986-87 to 1987-88	5.0	4.8	4.9	3.8	4.9	0.6	0.4	0.5	-0.6	0.5	4.4
1987-88 to 1988-89	5.8	6.7	6.0	5.3	5.8	1.3	2.2	1.5	0.9	1.3	4.4
1988-89 to 1989-90	6.3	6.3	6.3	5.4	6.1	1.6	1.6	1.6	0.7	1.4	4.6
1989-90 to 1990-91	5.5	5.3	5.5	5.0	5.4	-0.6	-0.8	-0.6	-1.0	-0.7	6.1
1990-91 to 1991-92	3.4	3.5	3.8	3.9	3.5	0.3	0.4	0.7	0.8	0.4	3.1
1991-92 to 1992-93	2.6	2.3	2.6	2.3	2.5	-0.3	-0.6	-0.3	-0.6	-0.4	2.9

\* Consumer Price Index (All Urban Consumers) is calculated from December to December  
Source: American Association of University Professors, 1993

1984-85 and 1992-93, average medical insurance expenditures rose an average of 131.5 percent for the eight-year period, or an average of 11.1 percent per year. During that same period, the Consumer Price Index rose only 34.7 percent or 3.8 percent per year. Little doubt exists that employee benefits are now, and will continue to be, a major financial issue for higher education planners.

In general, the financial health of California's higher education institutions will depend on the productivity of the California economy. One must say "in general," however, since the oft-noted structural problems of rapidly expanding demands and minimally expanding revenues promise to cause continuing problems even in times of relative prosperity. Many responsible agencies and officials, including the Postsecondary Education Commission, have warned that no one should expect

**DISPLAY 2** *Percentage Changes in Average 1992-93 Faculty Salaries of American Colleges and Universities Over Previous Years, by Institutional Affiliation and Academic Rank of Faculty*

<u>Academic Rank</u>	<u>Institutional Affiliation</u>			
	<u>All Combined</u>	<u>Public</u>	<u>Private/Independent</u>	<u>Church-Related</u>
1991-92 to 1992-93				
Professor	2 6	2 0	3 9	4 4
Associate Professor	2 3	1 6	3 6	4 2
Assistant Professor	2 6	2 1	3 6	4 1
Instructor	2 3	1 9	2 9	3 7
All Combined	2 5	1 9	3 8	4 2
1982-83 to 1992-93				
Professor	67 2	64 0	76 6	71 5
Associate Professor	63 2	60 4	71 2	69 0
Assistant Professor	67 6	64 7	76 6	71 2
Instructor	55 4	52 0	70 7	65 0
All Combined	65 7	62 7	75 1	70 4

Note Samples include 1,527 institutions reporting comparable data for 1991-92 and 1992-93, and 1,494 for 1982-83 and 1992-93

Source AAUP, 1993

**DISPLAY 3** *Average Dollar Expenditure for Specific Major Employee Benefits, by Affiliation, 1992-93, and Percentage Increase in Average Expenditure from 1984-85 to 1992-93*

<u>Affiliation</u>	<u>Retirement</u>	<u>Medical Insurance</u>	<u>Tuition</u>	<u>Dental Insurance</u>	<u>Group Life</u>	<u>All Combined*</u>
1992-93						
All Combined	\$4,540	\$2,972	\$351	\$116	\$146	\$11,610
Public	4,880	3,081	102	132	131	11,520
Private Independent	4,492	3,000	992	88	197	13,110
Church-Related	3,006	2,320	829	67	157	9,961
Percentage Increase in Average Expenditure 1974-85 to 1992-93						
All Combined	44 7%	131 5%	45 6%	251 5%	36 4%	68 0%
Public	40 7	125 1	75 9	312 5	31 0	64 4
Private Independent	58 4	167 1	33 3	175 0	40 7	79 2
Church-Related	69 0	129 5	38 9	63 4	58 6	76 8

\* The "All Combined" figures include all major employee benefits (i.e. retirement, medical, disability, tuition, dental, social security, unemployment, group life, workers' compensation, and other benefits in kind)

Source AAUP, 1993 The sample includes 1,997 institutions reporting comparable data on employee benefits both years.

California's higher education budgetary problems to be solved once prosperity returns. Nevertheless, there should be no doubt that an expanding economy is a prerequisite to higher education's ability to expand and meet the needs of a growing population. According to the Commission on State Finance, the economic recovery anticipated for late 1993 has not materialized, and is not anticipated until late 1994.

Display 4 below includes recent projections of several economic indicators presented by the Commission on State Finance. There are clear differences between the national and state numbers. The anticipated sluggishness of the California economic recovery relative to the national economic recovery is illustrated by the projections of percentage change in wage and salary employment. California wage and salary employment is projected to be negative -- -0.3 percent -- for the fourth consecutive year in 1994. National wage and salary employment is expected to be 2.0 percent in 1994, marking the third consecutive year of growth. Not until 1995 do some of the projections for the California economy appear to be on par with those of the country as a whole.

This combination of pressures -- poor economic output and intense competition among public sector programs -- promises to present this State with challenges that are probably unique in its history. For faculty, the prospects for achieving parity with comparison institutions, despite planned salary increases, appear to be far away.

**DISPLAY 4** *Selected Economic Forecast Variables for the United States and California, 1991 to 1996 (Percent Change Unless Otherwise Indicated)*

<u>Region and Item</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
<b>United States</b>						
Real Gross Domestic Product	-0.7%	2.6%	2.9%	3.1%	3.0%	2.8%
Housing Starts (millions of units)	1.01	1.21	1.28	1.41	1.49	1.52
Consumer Price Index	4.2	3.0	2.8	2.8	3.2	3.4
Wage and Salary Employment	-1.1	0.2	1.4	2.0	2.2	2.2
<b>California</b>						
Personal Income	2.0	3.9	1.0	3.5	6.8	5.9
Taxable Sales*	-3.9	0.6	-0.7	4.3	5.3	5.0
Building Permits (thousands of units)	105	98	86	112	133	152
Wage and Salary Employment	-2.7	-1.5	-1.4	-0.3	1.5	1.6

\* Taxable sales for 1991 and 1992 include the effects of legislation that extended the sales tax to candy, snack foods, and other items. These changes raised taxable sales by 0.7 percent for 1991 and by 2.0 percent for 1992. Proposition 163, approved by the voters in November 1992, repealed the exemptions for these items effective December 1, 1992. The forecasts for 1993 and beyond reflect this change.

Source: Commission on State Finance, February 1994.

**Methodology** The methodology that determines the lists of comparison institutions, the procedures by which the segments collect data, and the techniques used to analyze those data, have been designed and refined periodically by the Commission -- and the Coordinating Council before it -- in consultation with representatives from the California State University, the University of California, the Department of Finance, and the Office of the Legislative Analyst. Appendix B on pages 21-24 traces the history of those refinements, but in brief the Commission approved a major revision in 1985 (CPEC, 1985) and has since revised it four times (CPEC, 1987, 1988, 1989a, and 1989b) to reflect minor changes in the methodology used for calculating the parity figure and to alter the California State University's and the University of California's groups of comparison institutions. At the present time, the two systems employ the lists of comparison institutions depicted in Display 5 below.

This report is the second one coming after the resolution of a long-standing debate about weighting the comparison institutions in terms of faculty size when calculating the faculty salary parity figure for the University of California. The State University has traditionally weighted each comparison institution's data based on the number of faculty at each rank at those institutions. The result is that larger institutions -- those with greater numbers of faculty members -- have had a more significant impact on the parity figure. Until last year, the University of California's methodology assigned equal weight to each of its comparison institutions regard-

*DISPLAY 5 Faculty Salary Comparison Institutions of the California State University and the University of California, 1993-94*

**The California State University**

*Northeast Region*

Bucknell University\*  
Rutgers, the State University of  
New Jersey, Newark  
State University of New York at  
Albany  
Tufts University\*  
University of Connecticut

*Southern Region*

Georgia State University  
George Mason University  
North Carolina State University  
University of Maryland,  
Baltimore County

*North Central Region*

Cleveland State University  
Illinois State University  
Loyola University, Chicago\*  
Wayne State University  
University of Wisconsin,  
Milwaukee

*Western Region*

Arizona State University  
Reed College\*  
University of Colorado, Denver  
University of Nevada, Reno  
University of Southern California\*  
University of Texas, Arlington

**University of California**

Harvard University\*  
Massachusetts Institute  
of Technology\*  
Stanford University\*  
State University of New York  
at Buffalo  
University of Illinois, Urbana  
University of Michigan, Ann  
Arbor  
University of Virginia,  
Charlottesville  
Yale University\*

\* Independent Institution

Source: California Postsecondary Education Commission

less of size, thus eliminating faculty size as a determinant of the final percentage parity figure

The University had successfully argued that the University's market for new faculty is derived at least as much from independent institutions as public institutions. However, following discussions at a technical advisory committee convened pursuant to supplemental report language, Commission staff decided that the University's parity figure should be computed using the same methodology employed by the California State University. The reasons for the change included a desire for consistency between the two systems and the belief that a weighted figure more accurately represents faculty compensation in the "global" market.

Besides the present report, the Commission annually issues a supplemental report, requested in previous years by the Office of the Legislative Analyst and subsequently incorporated into Supplemental Language to the Budget Act, in which it discusses faculty salaries in the California Community Colleges.

# 3

## Projected Salaries Required for Parity at the California State University and the University of California

**W**ITH THE MAJOR economic recovery that began in 1983, the salary deficiencies experienced by California's two public universities were corrected, as were those of most other institutions of higher education across the country. Display 6 below shows the parity figures the Commission derived for the State University and University since 1979-80, and compares those figures to the amounts actually ap-

**DISPLAY 6** *Comparisons of Faculty Salary Parity Adjustment Calculations by the California Postsecondary Education Commission with Actual Percentage Increases Provided in State Budgets and United States and California Fiscal-Year Consumer Price Indices, 1979-80 Through 1995-96*

<u>Year</u>	<u>The California State University</u>		<u>University of California</u>		<u>Consumer Price Indices</u>	
	<u>Parity Figure</u>	<u>Salary Increase</u>	<u>Parity Figure</u>	<u>Salary Increase</u>	<u>United States</u>	<u>California</u>
1979-80	10.1%	14.5%	12.6%	14.5%	14.4%	14.9%
1980-81	0.8	9.8	5.0	9.8	9.9	11.6
1981-82	0.5	6.0	5.8	6.0	6.9	10.8
1982-83	2.3	0.0	9.8	0.0	3.2	2.2
1983-84	9.2	6.0	18.5	7.0	4.4	3.7
1984-85	7.6	10.0	10.6	9.0	3.7	5.3
1985-86	N/A	10.5	6.5	9.5	1.7	3.6
1986-87	6.9	6.8	1.4	5.0	3.8	3.3
1987-88	6.9	6.9	2.0	5.6	3.9	4.4
1988-89	4.7	4.7	3.0	3.0	5.2	4.8
1989-90	4.8	4.8	4.7	4.7	5.0	4.9
1990-91	4.9	4.9	4.8	4.8	5.5	5.4
1991-92	4.1	0.0	3.5	0.0	3.2	4.2
1992-93	6.0	0.0	6.7	0.0	3.0	3.0
1993-94	8.5	3.0 <sup>1</sup>	6.5	0.0 <sup>2</sup>	2.9 <sup>3</sup>	2.8 <sup>3</sup>
1994-95	6.8	N/A	12.6	N/A	3.1 <sup>3</sup>	2.8 <sup>3</sup>
1995-96	N/A	N/A	N/A	N/A	N/A	3.2 <sup>3</sup>

1 The State University and the California Faculty Association have negotiated a 3.0 percent salary increase effective April 1, 1994.

2 The University imposed a 3.5 percent faculty salary decrease for 1993-94. The University anticipates fully restoring that decrease for 1994-95.

3 Estimated.

Source: California Postsecondary Education Commission and Commission on State Finance.

proved by the Governor and Legislature, along with percentage increases in both the national and California Consumer Price Indices. The display shows that, as California emerged from the recession of the early 1980s, both the State University and University lagged significantly behind their comparison institutions -- a circumstance that was corrected in the final two years of the decade.

Between 1983-84 and 1989-90, strong performances in the State and national economies generated State revenues sufficient to restore faculty salaries to levels where the educational systems were better able to compete with private business and industry. Beginning in 1990-91, however, budgetary pressure from other State programs, particularly in the areas of health and welfare, corrections, and K-12 education, began to restrict the State's ability to grant the cost-of-living adjustments needed to reach parity with the comparison institutions. The salary increases required to achieve parity in 1990-91--4.9 percent at the State University and 4.8 percent at the University--were granted. There were no salary increases in 1991-92 or 1992-93 at the State University or the University. In addition, the University reduced faculty salaries by 3.5 percent for 1993-94. However, the State University and its faculty union have negotiated a 3.0 percent faculty salary increase beginning in the last quarter of 1994. The University anticipates restoring the 3.5 percent salary reduction and implementing a faculty salary increase for 1994-95.

The following sections present the Commission's traditional analysis of information from both the California systems and their respective groups of comparison institutions. Each analysis is a careful examination of raw data from the comparison institutions in terms of number of faculty and total appropriation by academic rank, with salaries for law school faculty removed from the calculations. In each case, the average salaries paid to 11-month faculty are converted to nine-month compensation.

#### **The California State University**

Display 7 on the opposite page shows the traditional summary information for the State University and its comparison institutions. It indicates a projected parity deficiency of 6.8 percent between the mean salary expected to be paid in 1994-95 at the comparison institutions and that at the State University. This lag was calculated accounting for the faculty salary increase at the State University effective in April of 1994. The Trustees of the California State University and the California Faculty Association agreed to merit salary adjustments and a salary increase of 3.0 percent beginning in the final quarter of 1994. Without this increase, the parity deficiency would have been 11.5 percent.

For the three years beginning in 1990-91, the State University faculty's all-ranks average has remained almost static. That average stood at \$52,310 in 1990-91, \$52,845 in 1991-92, and \$52,623 in 1992-93, and climbed to \$54,632 in the current year. With the 1993-94 faculty salary increase, the State University faculty's all-ranks average climbs significantly for the first time in four years. Without the faculty salary increase, the all-ranks average would have fallen for the second consecutive year. Both the decline in 1992-93 and the decline that would have occurred in 1993-94 without a faculty salary increase are likely due in part to the



**DISPLAY 7** *California State University Comparison Group Average Salaries, 1988-89 and 1993-94, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1994-95, and Projected Percentage Increase Required in California State University Faculty Salaries to Attain Parity with the Comparison Group in 1994-95*

<u>Academic Rank</u>	<u>Comparison Group Average Salaries, 1988-89</u>	<u>Comparison Group Average Salaries, 1993-94</u>	<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries, 1994-95</u>
Professor	\$55,346	\$66,970	3 89%	\$69,573
Associate Professor	\$41,406	\$49,556	3 66%	\$51,369
Assistant Professor	\$34,777	\$41,756	3 73%	\$43,311
Instructor	\$28,508	\$33,001	2 97%	\$33,982

<u>Academic Rank</u>	<u>California State University Actual Average Salaries, 1993-94</u>	<u>Comparison Group Average Salaries Actual, 1993-94</u>	<u>Comparison Group Average Salaries Projected, 1994-95</u>	<u>Percentage Increase Required in California State University Average Salaries to Equal the Comparison Institution Average Actual, 1993-94</u>	<u>Projected, 1994-95</u>
Professor	\$62,910	\$66,970	\$69,573	6 5%	10 6%
Associate Professor	\$50,225	\$49,556	\$57,369	-1 3%	2 3%
Assistant Professor	\$41,187	\$41,756	\$43,311	1 4%	5 2%
Instructor	\$33,060	\$33,001	\$33,982	-0 2%	2 8%
Weighted by State University Staffing	\$56,878	\$59,450	\$61,725	4 5%	8 5%
Weighted by Comparison Institution Staffing	\$52,386	\$53,833	\$55,863	2 8%	6 6%
Mean All Ranks Average and Gross Percentage Amount*	\$54,632	\$56,641	\$58,794	3 7%	7 6%
Adjustments					
Turnover and Promotions			-109		0 2%
Ment Award Adjustment			-355		0 7%
Net Parity Salary and Percent			\$58,330		6 8%

**Institutional Current-Year Staffing Pattern (Headcount Faculty)**

	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Instructor</u>	<u>Total</u>
The California State University	6,748	2,046	1,552	115	10,461
Comparison Institutions	4,658	4,280	3,113	254	12,305

\*All-Ranks Average derived by averaging the California State University and comparison institution staffing patterns

higher-than-average retirement rate of senior faculty occasioned by the State University's early retirement program. The State University had early retirement programs in place in 1991-92 and 1992-93. In addition, another early retirement plan spanning parts of 1993-94 and 1994-95 is being implemented.

The small increase in faculty compensation at the California State University in the past few years has produced expected effects in relation to its comparison institu-

tions Although faculty salary increases nationally have also been depressed from prior-year levels, the State University has clearly lost ground in relation to its comparison group in the past few years As an example, among the 21 institutions involved (the State University plus its 20 comparison institutions), the salary for the State University's full professors ranked eighth in 1989-90, ninth in 1990-91, thirteenth in 1991-92, and fourteenth in 1992-93 and 1993-94 Associate professors' salaries ranked fourth, sixth, sixth, ninth, and ninth respectively, in the four years involved Assistant professors' salaries went from seventh to tenth during the same period It is also interesting to note that despite the 1993-94 faculty salary increase, for each faculty rank, the State University's placement relative to the comparison institutions is unchanged compared to where it was for 1993-94 The State University faculty's positions relative to its comparison group for both 1988-89 and 1993-94 are shown in Display 8 on the next page

In the years in which faculty received no cost-of-living adjustment, the parity percentage deficiency grew The lag was estimated to be 4.1 percent in 1991-92, 6.0 percent in 1992-93, and 8.5 percent in 1993-94 Such numbers may appear confusing, since it may be assumed that a 4.1 percent lag should grow to over 8 percent the following year if no salary increase is granted In practice, however, this seldom occurs because the predicted comparison institution all-ranks average is based on a five-year moving average that is constantly shifting and does not move in a straight line When economic times turn adverse, the salary percentage predicted for the State University by the five-year projection line may not be realized as lower than predicted salary increases are granted by the comparison group The conclusion that should be drawn from this information is that the State University's position is slowly eroding

Display 9 on page 14 shows the State University faculty salary schedules as of April 1, 1994 This salary schedule reflects the 3.0 percent salary increase effective as of the final quarter of 1993-94 It should be noted that business and engineering faculty, including those on both 9- and 11-month appointments, receive a 10-percent upward adjustment in the salaries shown

*Non-reporting  
institutions*

In its 1986-87 report, the Commission noted that the State University encountered considerable difficulty in its attempts to obtain reliable information from all its comparison institutions Several institutions declined to participate in the annual survey, while others were not prepared to supply the information in a timely fashion After the advisory committee was reconvened in 1986 to discuss this problem, it unanimously approved replacements for those institutions that would not provide information in a timely fashion

Following that meeting, State University officials worked to develop relationships with personnel at the comparison institutions It soon became evident that complete current-year data could not be obtained from all of them in November or even December of each year, nor could useful information be obtained from any other list of institutions that could conceivably be established, because many uni-

**DISPLAY 8 California State University Comparison Institution Salary Data, by Rank, 1988-89 and 1993-94**

Institution	Professors			Associate Professors			Assistant Professors			Instructors			All		
	Number	Average Salary	Rank	Number	Average Salary	Rank	Number	Average Salary	Rank	Number	Average Salary	Rank	Total	Weighted Average Salary	Rank
<b>1988-89</b>															
Institution J	99	\$63,875	(1)	140	\$48,384	(1)	90	\$40,941	(1)	20	\$28,730	(6)	349	\$49,733	(4)
Institution N	240	\$63,560	(2)	258	\$46,406	(2)	122	\$35,503	(7)	0	\$0	(18)	620	\$50,901	(2)
Institution Q	409	\$63,392	(3)	416	\$45,668	(4)	323	\$38,614	(2)	28	\$40,288	(1)	1,176	\$49,767	(3)
Institution R	151	\$62,600	(4)	236	\$43,300	(5)	186	\$36,400	(4)	14	\$30,100	(5)	587	\$45,764	(7)
Institution B	516	\$60,400	(5)	329	\$46,100	(3)	217	\$37,900	(3)	13	\$35,400	(2)	1,075	\$51,179	(1)
Institution I	71	\$57,576	(6)	113	\$41,421	(8)	118	\$34,588	(8)	38	\$24,861	(14)	340	\$40,572	(16)
Institution K	376	\$57,404	(7)	301	\$41,594	(7)	207	\$35,872	(5)	12	\$28,016	(9)	896	\$46,725	(6)
Institution P	97	\$57,284	(8)	125	\$41,241	(9)	90	\$32,796	(16)	0	\$0	(19)	312	\$43,793	(8)
<b>CSU</b>	<b>7,376</b>	<b>\$53,275</b>	<b>(9)</b>	<b>2,378</b>	<b>\$41,685</b>	<b>(6)</b>	<b>1,720</b>	<b>\$33,771</b>	<b>(10)</b>	<b>229</b>	<b>\$28,164</b>	<b>(7)</b>	<b>11,703</b>	<b>\$47,562</b>	<b>(5)</b>
Institution F	252	\$53,195	(10)	249	\$39,015	(15)	188	\$32,344	(19)	34	\$24,251	(15)	723	\$41,529	(12)
Institution A	502	\$52,943	(11)	461	\$40,494	(12)	314	\$34,132	(9)	27	\$27,478	(10)	1,304	\$43,485	(9)
Institution C	82	\$52,659	(12)	57	\$39,722	(14)	78	\$32,949	(15)	1	\$24,000	(16)	218	\$42,093	(11)
Institution D	135	\$52,408	(13)	220	\$40,038	(13)	92	\$33,200	(14)	33	\$26,143	(13)	480	\$41,251	(13)
Institution G	139	\$52,300	(14)	215	\$40,800	(11)	166	\$32,500	(17)	15	\$33,500	(3)	535	\$41,008	(14)
Institution S	268	\$52,200	(15)	285	\$40,900	(10)	195	\$35,700	(6)	9	\$28,100	(8)	757	\$43,409	(10)
Institution O	170	\$50,141	(16)	232	\$37,199	(18)	142	\$32,467	(18)	20	\$26,500	(11)	564	\$39,529	(18)
Institution T	259	\$49,557	(17)	289	\$36,756	(19)	188	\$33,649	(11)	5	\$30,867	(4)	741	\$40,402	(17)
Institution M	114	\$49,185	(18)	116	\$38,790	(16)	88	\$33,448	(12)	3	\$26,297	(12)	321	\$40,901	(15)
Institution E	90	\$49,020	(19)	108	\$38,500	(17)	96	\$33,246	(13)	12	\$21,599	(17)	306	\$39,283	(19)
Institution L	43	\$46,235	(21)	26	\$35,295	(20)	38	\$28,627	(21)	0	\$0	(21)	107	\$37,323	(21)
Institution H	279	\$43,700	(21)	207	\$35,200	(21)	182	\$30,900	(20)	0	\$0	(20)	668	\$37,579	(20)
<b>Total</b>	<b>4,292</b>	<b>\$55,346</b>		<b>4,383</b>	<b>\$41,406</b>		<b>3,120</b>	<b>\$34,777</b>		<b>284</b>	<b>\$28,508</b>		<b>12,079</b>	<b>\$44,344</b>	
<b>1993-94</b>															
Institution J	112	\$83,786	(1)	120	\$62,602	(1)	71	\$52,099	(1)	16	\$35,739	(5)	319	\$66,355	(1)
Institution Q	470	\$78,256	(2)	350	\$56,572	(3)	286	\$47,868	(2)	27	\$41,014	(1)	1,133	\$62,999	(2)
Institution R	181	\$76,611	(3)	258	\$51,523	(8)	140	\$42,907	(5)	25	\$35,475	(3)	604	\$56,380	(7)
Institution P	101	\$74,105	(4)	125	\$53,298	(4)	60	\$42,161	(6)	6	\$37,500	(4)	292	\$57,882	(5)
Institution N	267	\$73,035	(5)	225	\$52,527	(5)	127	\$40,753	(12)	0	\$0	(18)	619	\$58,957	(4)
Institution G	148	\$72,200	(6)	222	\$52,500	(6)	155	\$41,300	(9)	6	\$38,900	(3)	531	\$54,568	(9)
Institution B	458	\$71,700	(7)	281	\$56,700	(2)	225	\$46,000	(3)	7	\$34,900	(7)	971	\$61,139	(3)
Institution S	298	\$66,628	(8)	262	\$51,967	(7)	214	\$44,425	(4)	8	\$39,836	(2)	782	\$55,366	(8)
Institution K	467	\$66,424	(9)	353	\$47,341	(12)	233	\$40,729	(13)	27	\$31,290	(14)	1,080	\$53,765	(10)
Institution C	84	\$65,935	(10)	85	\$49,360	(10)	73	\$41,542	(8)	1	\$33,490	(8)	243	\$52,676	(11)
Institution F	242	\$65,595	(11)	246	\$46,808	(13)	237	\$38,648	(18)	36	\$28,216	(17)	761	\$49,362	(16)
Institution M	145	\$64,536	(12)	133	\$47,953	(11)	95	\$38,891	(17)	5	\$33,146	(9)	378	\$51,841	(12)
Institution I	87	\$63,846	(13)	119	\$45,479	(15)	104	\$39,468	(15)	32	\$28,898	(16)	342	\$46,772	(19)
<b>CSU</b>	<b>6,748</b>	<b>\$62,910</b>	<b>(14)</b>	<b>2,046</b>	<b>\$50,225</b>	<b>(9)</b>	<b>1,552</b>	<b>\$41,187</b>	<b>(10)</b>	<b>115</b>	<b>\$33,060</b>	<b>(10)</b>	<b>10,461</b>	<b>\$56,878</b>	<b>(6)</b>
Institution T	267	\$60,433	(15)	306	\$46,521	(14)	192	\$42,062	(7)	2	\$31,767	(12)	767	\$50,209	(14)
Institution A	555	\$60,385	(16)	442	\$45,050	(18)	251	\$39,939	(14)	7	\$31,611	(13)	1,255	\$50,734	(13)
Institution L	47	\$59,581	(17)	20	\$44,213	(19)	31	\$37,761	(20)	0	\$0	(20)	98	\$49,542	(15)
Institution E	106	\$59,567	(18)	108	\$45,288	(17)	119	\$40,771	(11)	35	\$31,778	(11)	368	\$46,655	(20)
Institution D	149	\$59,435	(19)	214	\$45,385	(16)	119	\$37,935	(19)	14	\$29,516	(15)	496	\$47,370	(18)
Institution O	185	\$58,118	(20)	224	\$43,788	(20)	137	\$39,455	(16)	0	\$0	(19)	546	\$47,556	(17)
Institution H	289	\$54,800	(21)	187	\$43,600	(21)	244	\$37,300	(21)	0	\$0	(21)	720	\$45,961	(21)
<b>Total</b>	<b>4,658</b>	<b>\$66,970</b>		<b>4,280</b>	<b>\$49,556</b>		<b>3,113</b>	<b>\$41,756</b>		<b>254</b>	<b>\$33,001</b>		<b>12,305</b>	<b>\$53,833</b>	

Source: The California State University, Office of the Chancellor

**DISPLAY 9**      *California State University Faculty Salary Schedules,  
1993-94\**

Rank	Step	Academic Year Faculty		Twelve-Month Faculty		Academic Year to Twelve-Month
		Monthly	Annual	Monthly	Annual	Difference
Instructor	1	\$2,495	\$29,940	\$2,853	\$34,236	14 3%
	2	2,605	31,260	2,989	35,868	14 7%
	3	2,726	32,712	3,130	37,560	14 8%
	4	2,853	34,236	3,280	39,360	15 0%
	5	2,989	35,868	3,432	41,184	14 8%
Assistant Professor	1	\$2,726	\$32,712	\$3,130	\$37,560	14 8%
	2	2,853	34,236	3,280	39,360	15 0%
	3	2,989	35,868	3,432	41,184	14 8%
	4	3,130	37,560	3,597	43,164	14 9%
	5	3,280	39,360	3,768	45,216	14 9%
	6	3,432	41,184	3,948	47,376	15 0%
	7	3,597	43,164	4,136	49,632	15 0%
	8	3,768	45,216	4,337	52,044	15 1%
Associate Professor	1	\$3,432	\$41,184	\$3,948	\$47,376	15 0%
	2	3,597	43,164	4,136	49,632	15 0%
	3	3,768	45,216	4,337	52,044	15 1%
	4	3,948	47,376	4,543	54,516	15 1%
	5	4,136	49,632	4,763	57,156	15 2%
	6	4,337	52,044	4,993	59,916	15 1%
	7	4,543	54,516	5,232	62,784	15 2%
	8	4,763	57,156	5,489	65,868	15 2%
Professor	1	\$4,337	\$52,044	\$4,993	\$59,916	15 1%
	2	4,543	54,516	5,232	62,784	15 2%
	3	4,763	57,156	5,489	65,868	15 2%
	4	4,993	59,916	5,753	69,036	15 2%
	5	5,232	62,784	6,032	72,384	15 3%

\* As of April 1, 1994. This faculty salary schedule reflects the 3.0 percent faculty salary increase effective as of the final quarter of 1994.

Source: The California State University, Office of the Chancellor.

versities do not make computer runs of their faculty payrolls until after the November deadline required by the current methodology. Because the Department of Finance requests this information by the first week in December of each year for consideration in the Governor's Budget, estimates continue to be necessary for those institutions not supplying current-year information.

In its attempts to make the estimates as accurate as possible, the Chancellor's Office of the State University analyzed the differences between the cost-of-living adjustments projected to be given to faculty, and those actually distributed to them. This analysis showed that the actual changes in any institution's average salaries increased by only about 95 percent of the projected percentage increase -- a difference

caused by changes in staffing patterns at the institutions involved. Accordingly, the State University suggested that, when current-year information cannot be obtained, but the projected cost-of-living adjustment is known, that percentage be multiplied by 0.95. This year, complete current-year information was obtained for this report from 18 institutions, the 0.95 adjustment factor was applied to the 1992-93 cost-of-living adjustment data for the remaining two.

*Miscellaneous adjustments* Consistent with its methodology, reductions of 0.2 percent for turnover and promotions, and 0.7 percent to reflect an additional appropriation for merit salary adjustment, are included in the calculation. The first is unchanged from last year's

cycle, while the second has been increased to 0.7 percent from last year's estimate of 0.5 percent. With these two adjustments, the State University's 1994-95 parity calculation shows a lag of 6.8 percent from its comparison institutions, as Display 7 on page 11 shows.

**University of California** In the University of California Regents' Budget for 1994-95, the restoration of base salaries, a five percent cost-of-living adjustment, and normal merit increases were termed the best possible outcome with respect to faculty salaries. Even with this scenario, the University expected that its faculty salaries would lag behind those at the comparison institutions by 5 to 6 percent.

Display 10 below shows the average salaries by rank at the comparison institutions in 1988-89 and 1993-94, as well as the University's position in each of these two years. While the faculty salary methodology is designed to place the University's faculty at the middle of the comparison group, the University is below the middle at every faculty rank, and is fifth over-all. Over the past five years, at the rank of professor, the University's position with respect to salary has declined from fourth to fifth of the nine positions (the eight comparison institutions

*DISPLAY 10 University of California Comparison Institution Average Salaries, 1988-89 and 1993-94*

1988-89	Type*	<u>Professor</u>		<u>Associate Professor</u>		<u>Assistant Professor</u>		Total Faculty	Average Salary
		<u>Number</u>	<u>Salary</u>	<u>Number</u>	<u>Salary</u>	<u>Number</u>	<u>Salary</u>		
Institution A	I	495	\$74,383	126	\$52,800	172	\$41,397	793	\$63,799
Institution H	I	468	\$73,031	107	\$40,069	221	\$35,021	796	\$58,047
Institution D	I	405	\$70,608	120	\$43,137	202	\$34,890	727	\$56,149
Institution F	I	488	\$69,675	185	\$51,349	138	\$41,632	811	\$60,723
UC	P	3,425	\$65,881	1,009	\$43,574	757	\$38,424	5,191	\$57,541
Institution C	P	374	\$65,050	268	\$46,526	153	\$37,014	795	\$53,410
Institution B	P	355	\$64,560	237	\$44,395	197	\$35,592	788	\$51,278
Institution E	P	687	\$57,816	263	\$46,985	315	\$39,326	1,265	\$50,960
Institution G	P	971	\$56,671	553	\$40,236	418	\$35,632	1,941	\$47,463
Total		4,243	\$64,952	1,859	\$44,763	1,815	\$37,231	7,917	
1993-94									
Institution H	I	576	\$98,225	129	\$55,654	213	\$49,144	918	\$80,855
Institution A	I	486	\$93,971	125	\$63,870	145	\$51,887	756	\$80,922
Institution F	I	583	\$90,886	177	\$63,734	164	\$52,793	924	\$78,924
Institution D	I	352	\$88,931	107	\$52,318	165	\$44,886	624	\$71,006
Institution E	P	711	\$76,191	339	\$56,867	366	\$45,501	1,416	\$63,632
UC	P	2,860	\$75,157	1,159	\$51,303	976	\$43,551	4,995	\$63,446
Institution C	P	334	\$74,753	256	\$52,628	154	\$42,249	744	\$60,429
Institution B	P	412	\$73,695	269	\$50,640	202	\$42,156	883	\$59,468
Institution G	P	890	\$67,467	503	\$48,834	386	\$41,785	1,780	\$56,623
Total		4,345	\$81,969	1,906	\$54,055	1,795	\$45,605	8,045	

\* I = Independent, P = Public

plus the University) In these same years, in terms of salary the University has declined from fifth to seventh at the associate level, and declined from fourth to sixth at the assistant professor level

Display 11 below shows the parity calculations for the 1992-93 fiscal year, and it indicates that the University will require an increase of 12.6 percent to maintain parity at the mean of its comparison group This figure was calculated assuming full restoration of the 3.5 percent salary reduction imposed upon faculty for 1993-94 As noted earlier, however, the Regents have been constrained by the continuing budgetary crisis to request only a 5.0 percent increase It should also be noted that because the University's faculty did not receive salary increases in 1991-92 and 1992-93, and because a significant number of high paid faculty retired from the system due to the University's early retirement programs, the "All-Ranks Average" salary as shown in Display 11 has declined from \$65,519 in 1990-91 to

**DISPLAY 11** *University of California Comparison Group Average Salaries, 1988-89 and 1993-94, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1994-95, and Projected Percentage Increase Required in University of California Faculty Salaries to Attain Parity with the Comparison Group in 1994-95*

<u>Academic Rank</u>	<u>Comparison Group Average Salaries 1988-89</u>	<u>Comparison Group Average Salaries 1993-94</u>	<u>Compound Rate of Increase</u>	<u>Comparison Group Projected Salaries, 1994-95</u>
Professor	\$64,952	\$81,969	4.76%	\$85,874
Associate Professor	\$44,763	\$54,055	3.84%	\$56,134
Assistant Professor	\$37,231	\$45,605	4.14%	\$47,494

<u>Academic Rank</u>	<u>University of California Actual Average Salaries, 1993-94</u>	<u>Comparison Group Average Salaries Actual 1993-94</u>	<u>Comparison Group Average Salaries Projected 1994-95</u>	<u>Percent Increase Required in University Average to Equal the Comparison Institution Average, Actual 1993-94</u>	<u>Projected 1994-95</u>
Professor	\$75,157	\$81,969	\$85,874	9.1%	14.3%
Associate Professor	\$51,303	\$54,055	\$56,134	5.4%	9.4%
Assistant Professor	\$43,551	\$45,605	\$47,494	4.7%	9.1%
Weighted by University of California Staffing	\$63,446	\$68,387	\$71,474	7.8%	12.7%
Weighted by Comparison Institution Staffing	\$62,457	\$67,246	\$70,269	7.7%	12.5%
Mean All Ranks Average and Net Percentage Amount*	\$62,952	\$67,817	\$70,871	7.7%	12.6%

**Institutional Budget-Year Staffing Pattern Number of Full-Time-Equivalent Faculty**

<u>Institution</u>	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>	<u>Total</u>
University of California	2,860	1,159	976	4,995
Comparison Institutions	4,345	1,906	1,795	8,045

\*All-Ranks Average derived by averaging the University of California and Comparison Institution staffing patterns

\$62,952 in 1993-94. Although the large-scale retirements and replacements with young faculty is likely to be a one-time phenomenon, it represents a variable that contributes significantly to the University's lag this year. An additional contributing factor has been the salary increases at the comparison institutions. For 1993-94, the weighted average salary increase ranged from 4.6 percent at the professor rank to 2.8 percent at the assistant professor rank.

Display 12 below and on page 18 shows the University of California's salary schedule for the 1993-94 academic and fiscal years for regular faculty — plus those in business management and engineering, who receive between 9.0 and 33.8 percent higher salaries than other faculty at comparable ranks and steps. This salary schedule is unchanged from 1992-93.

*DISPLAY 12 University of California Faculty Salary Schedules, 1993-94\**

Academic Year Faculty (Nine Months)

<u>Rank</u>	<u>Step</u>	<u>Normal Period at Salary</u>	<u>Faculty in Most Disciplines</u> <u>Monthly</u>	<u>Annual</u>	<u>Faculty in Business and Engineering</u> <u>Monthly</u>	<u>Annual</u>	<u>Percentage</u> <u>Difference</u>
Instructor			\$2,541.67	\$30,500	NA	NA	NA
Assistant Professor	1	Two Years	\$2,991.67	\$35,900	\$3,900.00	\$46,800	30.3%
	2	Two Years	3,116.67	37,400	4,100.00	49,200	31.5%
	3	Two Years	3,233.33	38,800	4,308.33	51,700	33.2%
	4	Two Years	3,375.00	40,500	4,516.67	54,200	33.8%
	5	Two Years	3,583.33	43,000	4,741.67	56,900	32.3%
	6	Two Years	3,800.00	45,600	4,941.67	59,300	30.0%
Associate Professor	1	Two Years	\$3,591.67	\$43,100	\$4,750.00	\$57,000	32.2%
	2	Two Years	3,808.33	45,700	4,950.00	59,400	29.9%
	3	Two Years	4,025.00	48,300	5,150.00	61,800	27.9%
	4	Three Years	4,275.00	51,300	5,300.00	63,600	23.9%
	5	Three Years	4,608.33	55,300	5,466.67	65,600	18.6%
Professor	1	Three Years	\$4,283.33	\$51,400	\$5,308.33	\$63,700	23.9%
	2	Three Years	4,616.67	55,400	5,475.00	65,700	18.5%
	3	Three Years	5,058.33	60,700	5,825.00	69,900	15.1%
	4	Three Years	5,533.33	66,400	6,250.00	75,000	12.9%
	5	—	6,016.67	72,200	6,725.00	80,700	11.7%
	6	—	6,525.00	78,300	7,241.67	86,900	10.9%
	7	—	7,050.00	84,600	7,766.67	93,200	10.1%
	8	—	7,608.33	91,300	8,358.33	100,300	9.8%

\*Does not reflect 3.5 percent salary cut to be restored July 1, 1994.

(continued)

*DISPLAY 12 (continued)*

**Fiscal-Year Faculty (Eleven Months)**

<u>Rank</u>	<u>Step</u>	Normal Period at Salary	Faculty in Most Disciplines		Faculty in Business and Engineering		Percentage Difference
			<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	
Instructor			\$2,950 00	\$35,400	N/A	N/A	N/A
Assistant	1	Two Years	\$3,466 67	\$41,600	\$4,525 00	\$54,300	30 5%
Professor	2	Two Years	3,608 33	43,300	4,750 00	57,000	31 6%
	3	Two Years	3,758 33	45,100	5,000 00	60,000	33 0%
	4	Two Years	3,916 67	47,000	5,241 67	62,900	33 8%
	5	Two Years	4,158 33	49,900	5,483 33	65,800	31 8%
	6	Two Years	4,408 33	52,900	5,733 33	68,800	30 0%
Associate	1	Two Years	\$4,166 67	\$50,000	\$5,491 67	\$65,900	31 8%
Professor	2	Two Years	4,416 67	53,000	5,741 67	68,900	30 0%
	3	Two Years	4,658 33	55,900	5,966 67	71,600	28 0%
	4	Three Years	4,958 33	59,500	6,150 00	73,800	24 0%
	5	Three Years	5,350 00	64,200	6,341 67	76,100	18 5%
Professor	1	Three Years	\$4,966 67	\$59,600	\$6,158 33	\$73,900	23 9%
	2	Three Years	5,358 33	64,300	6,350 00	76,200	18 5%
	3	Three Years	5,866 67	70,400	6,750 00	81,000	15 0%
	4	Three Years	6,416 67	77,000	7,300 00	87,600	13 7%
	5	-----	6,983 33	83,800	7,833 33	94,000	12 1%
	6	-----	7,566 67	90,800	8,408 33	100,900	11 1%
	7	-----	8,175 00	98,100	9,000 00	108,000	10 0%
	8	-----	8,833 33	106,000	9,625 00	115,500	8 9%

Source University of California, Office of the President.



## Appendix A      Senate Concurrent Resolution No. 51, 1965 General Session

### **Senate Concurrent Resolution No. 51, 1965 General Session, Relative to Academic Salaries and Welfare Benefits**

**WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and**

**WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and**

**WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and**

**WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve implications to the state now, therefore, be it**

***Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965***

## Appendix B

### Changes in the Content and Methodology of the Reports Since the 1970s

**T**HE DESIRE on the part of California officials for accurate and timely faculty salary data in higher education is at least as old as the Master Plan Survey Team, which recommended in 1960 the creation of a coordinating agency that would, among other duties, collect pertinent data on faculty supply and demand. For the next several years, following creation of the Coordinating Council for Higher Education, the Legislature sought information regarding faculty compensation and other issues relating to the State budget. While the Council did its best to provide the requested data, the Legislature -- and especially the Assembly -- deemed the Council's reports to be insufficient. Consequently, the Assembly requested the Legislative Analyst to prepare a specific report on the subject (House Resolution No. 250, 1964 First Extraordinary Session, reproduced in Appendix C, pp. 31-32).

Early in the 1965 General Session, the Legislative Analyst presented his report (Appendix D, pp. 33-44) and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51 (1965), which specifically directed the Coordinating Council to prepare annual reports in cooperation with the University of California and the then California State Colleges.

Since that time, the Coordinating Council, and more recently the Commission, have submitted reports to the Governor and the Legislature. Prior to the 1973-74 budgetary cycle, the Coordinating Council submitted only one report annually, usually in March or April. Between 1974-75 and 1985-86, the Commission compiled two reports -- a preliminary report transmitted in December, and a final report in April or May. The first was intended principally to assist the Department of Finance in developing cost-of-living adjustments presented in the Governor's Budget, while the second was used by the Legislative Analyst and the legislative fiscal committees during budget hearings. Each report compared faculty salaries and the cost of fringe benefits in California's public four-year systems with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.

As they evolved over a period of years, the Commission's salary reports were tailored to meet the information needs of the times. While always providing party figures based on analyses of comparison institution data, they were occasionally expanded to include summaries of economic conditions, comparisons with other professional workers, discussions of supplemental income and business and industrial competition for talent, analyses of collective bargaining, and data on community

college faculty salaries, medical faculty salaries, and administrators' and executive salaries. The last three of these additions to the annual reports were all requested by the Office of the Legislative Analyst: community college and medical faculty salaries in 1979, and administrators' salaries at the University of California and California State University in 1982. However in 1990, the Legislative Analyst determined that the study of medical faculty salaries was no longer necessary, medical faculty salary data have not been reported since that year.

Much of the supplemental economic and compensation data provided throughout the 1970s and into the early 1980s was developed because of the unique inflationary pressures -- resulting primarily from the OPEC oil shocks -- present at that time. Much of the evidence presented later in this part of the report indicates clearly that higher education faculty nationally were suffering through a significant erosion in purchasing power. Since faculty salaries in California are based primarily on interinstitutional comparisons, faculty at the University of California and the California State University inevitably experienced an economic erosion comparable to that endured by university faculty nationally. That erosion made it increasingly difficult to recruit the most talented teachers and researchers, especially in competition with the substantially higher salaries generally available in business and industry. The evidence presented by the Commission in those reports prompted several Legislative decisions, among them the creation of enhanced salary schedules for faculty in business and engineering in both of the four-year systems, the adoption of a "margin of excellence" or "competitive edge," a percentage enhancement over the comparison institution parity figure for University of California faculty; and improvements in the comparison institution list for the California State University.

To discuss changes in the faculty salary methodology, the Commission has periodically convened an advisory committee consisting of representatives from the University of California, the California State University, the Department of Finance, the Office of the Legislative Analyst, and other interested parties (e.g. union representatives, industry consultants) to review the methodology under which the salary reports are prepared each year. In general, community college representatives have not attended, since salaries in that system are determined locally. In 1984, the committee's deliberations led to a number of substantive revisions that were approved by the Commission the following year (1985). Among the more significant of those changes were those to create a new list of comparison institutions for the State University, produce only a single report rather than a preliminary and a final report, and provide University of California medical faculty salary information biennially rather than annually.

Almost six years ago, due primarily to issues of confidentiality and technical difficulties in collecting data in a timely fashion, the advisory committee met to consider changes in the methodology. The committee suggested several revisions to the methodology at that meeting to address those issues. The Commission acted on those recommendations at its June 1987 meeting (1987).

At that time, the University of California agreed to continue to use the eight com-

parison institutions it had used for the past 16 years. After further analyzing salary trends at these eight institutions later in the summer, however, the University determined that the economic situation, especially in the midwest, had adversely affected at least one of its comparison institutions (the University of Wisconsin, Madison), and quite probably another (Cornell), causing only marginal increases in its faculty salaries in contrast to increases elsewhere. This erosion had been evident for some years, but since the Legislature had agreed to grant University faculty the "margin of excellence" noted above -- an amount between 3 and 3½ percent above the parity figure -- the comparison institution issue did not seem too serious. Clearly, however, this was not an altogether satisfactory solution to the problem of inadequate salaries, if for no other reason than the fact that it produced a somewhat cluttered methodology. There was also no guarantee that the Legislature would continue to grant the additional percentage amount.

As a result of these considerations, the University requested the Commission to approve the substitution of the University of Virginia for the University of Wisconsin and the Massachusetts Institute of Technology for Cornell University "in the best interest of the University and the State." As part of this proposal, it agreed to abandon requests in 1988-89 and subsequent fiscal years for any funds beyond the parity figure, noting that the traditional methodology of projected lag to parity would be sufficient, given the new comparison group. The Commission approved this change in the University's comparison institution group at its February 1988 meeting.

Four years ago, the Commission again considered changes in its methodology when it responded to Supplemental Budget Language to the 1988-89 Budget Act that directed it to convene its salary methodology advisory committee in order to evaluate whether the estimated average salaries at the State University's comparison institutions should be adjusted for the full effect, rather than the existing partial effect, of law school faculty among its comparison institution group. The Commission was also directed to determine the appropriateness of retaining any effect of law school faculty employed by comparison institutions when computing a final State University faculty salary parity figure, and to provide a justification for it.

In June 1989, the Commission adopted the recommendation of its advisory committee that for purposes of reporting comparable "academic" salary information for both the State University and its comparison institutions, all law faculty should be removed from the methodology used for computing the State University's parity figure during the 1991-92 budget cycle -- the year in which the collective bargaining agreement between the faculty and the administration expired. This year's report continues to reflect the exclusion of comparison-institution law faculty.

In removing comparison-institution law faculty, however, it was clear that the State University's competitiveness in the marketplace would be undermined in that its instructional budget in the 1989-90 budget year would be reduced by approximately \$7.5 million because of a reduction in the calculation of its parity figure. Recognizing the dangers implicit in this reduction -- especially its impact

on the recruitment and retention of faculty -- the Commission considered a modest change in the State University's group of comparison institutions in order to recover approximately one-half of the estimated revenue loss attributed to the removal of comparison institution law faculty. In September 1989, the Commission called for deleting three existing comparison institutions -- Virginia Polytechnic Institute, the University of Bridgeport, and Mankato State University -- and replacing them with three new institutions -- the University of Connecticut, George Mason University, and Illinois State University. This year's report continues to reflect that change in the comparison institution list.

## Appendix C      **House Resolution No. 250, 1964 First Extraordinary Session**

### **House Resolution No. 250, 1964 First Extraordinary Session, Relative to the Economic Welfare of the Faculties of the California Public Institutions of Higher Education**

**WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and**

**WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and**

**WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and**

**WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, and business institutions, industry, and other levels of government; and**

**WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and**

**WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and**

**WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and**

**WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued**

economic and cultural development of California may be seriously threatened, now, therefore, be it

*Resolved by Assembly of the State of California, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.*

**Appendix D     The Legislative Analyst's 1965 Report on a Method  
for Comparing Faculty Salaries and Benefits**

**A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE  
ON FACULTY SALARIES AND OTHER BENEFITS  
AT THE UNIVERSITY OF CALIFORNIA  
AND THE CALIFORNIA STATE COLLEGES**

**(Pursuant to HR 250, 1964 First Extraordinary Session)**

**Prepared by the Office of the Legislative Analyst  
State of California**

**January 4, 1965**



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## Introduction

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)<sup>1</sup> which resolved

That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compare for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is

proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as

- 1 Disagreement with conclusions drawn from data submitted in justification of recommendations,
2. Lack of confidence in the quantity, quality, or type of data,
- 3 The failure of advocates to make points which are concise and clearly understandable,
- 4 The submission of conflicting data by legislative staff or the Department of Finance

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 5, 1964, a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance, and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3, Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges, and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4, Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 5, 1964, the oral and prepared statements received at the October 15, 1964, hearing of the Joint Legislative Budget Committee and other sources have revealed significant find-

1 Thus and other appendices deleted.

ings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature

#### **Background**

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Department of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the Analysis of the Budget Bill provides analysis and recommendations as to the Governor's budget proposal.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

#### **Who should prepare faculty salary reports**

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that the Coordinating Council recom-

mendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

#### **What faculty salary reports should contain**

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council of Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas:

- A. Faculty Data
- B. Salary Data
- C. Fringe Benefits
- D. Total Compensation
- E. Special Privileges and Benefits
- F. Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year.

#### **A. Faculty Data**

##### **1 Findings**

- a Informative data about the size, composition, retention, and recruitment of California State

College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year

- b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.

## **2. Recommendations**

The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes

- a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.
- b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have Ph D 's
- c. Student-faculty ratios as a means of expressing performance.
- d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.
- e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories, death or retirement, to research or graduate work, intra-institutional transfers, other college or University teaching, business and government, other

## **3 Comments**

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions

The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new Ph D 's for example, California institutions hire every year

## **B. Salary Data**

### **1 Findings**

- a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them
- b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appropriate institutions is the best single method of determining salary needs
- c. The University of California places less significance on salary comparisons with non-academic employment than the Coordinating Council on Higher Education and the California State Colleges
- d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions
- e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous
- f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries
- g. Methods of salary comparisons with other institutions have varied from year to year in reports prepared by the state colleges

### **2 Recommendations**

- a. We recommend that proposed faculty salary increases distinguish between (1) increases necessary to maintain the current competitive position, and (2) increases to improve the current competitive position

- (1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix.
  - (2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.
- b It is also recommended that the California State College Trustees select a list of comparable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.
- c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important.
- (1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons.
  - (2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year his-

toric trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from rank for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

- (3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

### C. Fringe Benefits

#### 1 Findings

- a The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.

- b Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

#### 2 Recommendations

- a It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from sala-

ries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer

- b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

### 3. Comments

Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstandings about competitive positions. For example, information submitted to the 1963 Legislature by the University of California, in support of proposed salary increases for 1963-64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary alone look far more favorable than comparisons of salaries plus benefits." The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, since data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits

## D. Total Compensation

### 1 Findings

- a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits
- b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports

### 2 Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information

## E. Special Privileges and Benefits

### 1 Findings

There are other faculty privileges and economic benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay

### 2 Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include

### 3 Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls

## F. Supplementary Income

### 1 Findings

- a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside this college or University is recognized as a problem common to institutions of higher education throughout the United States
- b. There apparently are proportionately more private consulting opportunities in California than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963-64
- c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study, titled University Fac-

## ulty Compensation Policies and Practices

- d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported as follows

Source	Percent of Faculty Earning Additional Income from Sources
Lecturing	31%
General Writing	28
Summer and Extension Teaching	25
Government Consulting	18
Textbook Writing	18
Private Consulting	12
Public Service and Foundation Consulting	9
Other Professional Activities	10

Source: University Faculty Compensation Policies and Practices in the U.S., Association of American Universities, University of Illinois Press, Urbana, 1956

- e. The United State Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961-62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 8, 1964, from the start of the California State College Trustees

## Outside Earnings of Teaching Faculty on Academic Year Contracts (9-10 Months)

The U.S. Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961-62. The results are as follows

	Percent	Average Earnings
All with outside earnings	74	\$2,200
Summer Teaching	44	1,300
Other Summer Employment	11	1,800
Other Teaching	12	900
Royalties	8	1,200
Speeches	9	200
Consultant Fees	12	1,400

Retirement (Individuals who have retired who teach elsewhere after retiring)	1	3,400
Research	7	1,800
Other Professional Earnings	10	1,200
Non-Professional Earnings	8	1,700

The highest average earnings by teaching field and the percentage with outside earnings are

	Percent	Average Earnings
Law (which we do not have)	78	\$3,300
Engineering	82	3,200
Business and Commerce	78	2,900
Physical Sciences	80	2,900
Agriculture	71	2,800
Psychology	85	2,700

In light of the Joint Committee discussion you might be interested in the following

	Percent	Average Earnings
Social Sciences	74	\$1,900
Fine Arts	74	1,600
Philosophy	74	1,300
Religion and Theology	78	1,300

## 2 Recommendations

- a. We recommend that the Coordinating Council for Higher Education, the University of California, and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.). Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, then consideration should be given to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant

faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study

- b. We also recommended that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.
  - c Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.
3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be

on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University of colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions.



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# CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature

## Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of February 1995, the Commissioners representing the general public are

Henry Der, San Francisco, *Chair*  
C. Thomas Dean, Long Beach  
Elaine Alquist, Santa Clara  
Mim Andelson, Los Angeles  
Jeffrey I. Marston, San Diego  
Guillermo Rodriguez, Jr., San Francisco,  
*Vice Chair*  
Melinda G. Wilson, Torrance  
Linda J. Wong, Los Angeles  
Ellen F. Wright, Saratoga

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,  
Yvonne W. Larsen, San Diego, appointed by the California State Board of Education,  
Alice Petrossian, Glendale, appointed by the Board of Governors of the California Community Colleges,  
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University, and  
Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and  
*vacant*, representing the Council for Private Postsecondary and Vocational Education

The two student representatives are  
Stephen Leshner, Meadow Vista  
Beverly A. Sandeen, Costa Mesa

## Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

## Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933 or Calnet 485-7933, FAX (916) 327-4417.

# FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1994-95

## Commission Report 94-4



ONE of a series of reports published by the California Postsecondary Education Commission as part of its planning and coordinating responsibilities. Single copies may be obtained without charge from the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938. Recent reports include

- 93-18 *Appropriations in the 1993-94 State Budget for Higher Education: A Staff Report to the California Postsecondary Education Commission* (September 1993)
- 93-19 *Commission Activities and Concerns of the Past Decade: A Retrospective of Issues Confronting California Higher Education Between 1983 and 1993* (September 1993)
- 93-20 *Library and Information Services Education in California: A Report to the Intersegmental Program Review Council from the Staff of the California Postsecondary Education Commission* (October 1993)
- 93-21 *Who Will Take Responsibility for the Future of California Higher Education? A Statement by Clark Kerr to the California Postsecondary Education Commission, October 25, 1993* (October 1993)
- 93-22 *Creating a Campus for the Twenty-First Century ♦ The California State University and Fort Ord* (October 1993)
- 93-23 *Restabilizing Higher Education: Moderating the Impact on California's College Students and the State's Future from Cutting State Support for Higher Education by \$1.4 Billion Over the Past Three Years: Report of the Executive Director of the California Postsecondary Education Commission, December 1993* (December 1993)
- 93-24 *The State of the State's Educational Enterprise: An Overview of California's Diverse Student Population* (December 1993)
- 94-1 *Legislative and State Budget Priorities of the Commission, 1994: A Report of the California Postsecondary Education Commission* (January 1994)
- 94-2 *Good Works: The Impact of the Human Corps on California's Public Universities: An Evaluation for the Legislature of the Effects of Assembly Bill 1820 (Chapter 1245, Statutes of 1987)* (April 1994)
- 94-3 *A Western Compact: A Report on California's Continued Membership in the Western Interstate Commission for Higher Education (WICHE)* (April 1994)
- 94-4 *Faculty Salaries in California's Public Universities, 1994-95: A Report to the Legislature and the Governor in Response to Senate Concurrent Resolution No. 51 (1965)* (April 1994)
- 94-5 *Progress on Regional Academic Planning: A Staff Report to the Commission in Response to the First in a Series of Joint Reports on Regional Academic Planning by California's Public Systems of Higher Education* (April 1994)
- 94-6 *Progress on College and University Assessments of Campus Climate: A Staff Report to the California Postsecondary Education Commission* (April 1994)
- 94-7 *Will the "Three Strikes" of (1) Escalating Prison Costs, (2) An Inflexible State Budget, and (3) Frozen State Revenues Strike Down Your Children's College Chances? A Message to Every Californian from Warren Halsey Fox, Executive Director, California Postsecondary Education Commission* (April 1994)